



# Thomson Reuters

## 2022 SECOND-QUARTER RESULTS

August 4, 2022

# Agenda

- **Welcome / Introduction**

**Gary Bisbee**

- **Second-Quarter 2022 Highlights**

**Steve Hasker**

**Corporates Segment and Risk, Fraud & Compliance Discussion**

- **Financial Review**

**Mike Eastwood**

**Second-Quarter 2022 Results**

**2022 Full-Year Outlook Update**

- **Q & A**

# Special Note

## Special Note Regarding Forward-Looking Statements, Material Assumptions and Material Risks

This presentation consists of these slides and the associated remarks and comments, which are related and intended to be presented and understood together.

Certain statements in this presentation and discussion are forward-looking, including, but not limited to, statements regarding the company's full-year 2022-2023 outlook and other expectations regarding the future financial and operational performance of the company and its individual business segments, the company's strategic priorities, initiatives and opportunities, the company's expectations regarding its Change Program and the company's expectations regarding its liquidity and capital resources. While the company believes that it has a reasonable basis for making forward-looking statements in this presentation, they are not a guarantee of future performance or outcomes and there is no assurance that any of the events described in any forward-looking statement will materialize. Forward-looking statements are subject to a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from current expectations. Many of these risks, uncertainties and assumptions are beyond our company's control and the effects of them can be difficult to predict. Some of the factors that could cause actual results to differ materially from current expectations are discussed in the "Risk Factors" section of our annual report, our first-quarter 2022 management's discussion and analysis (MD&A), our second-quarter 2022 MD&A that we plan to file after the date hereof and in other materials that we from time to time file with, or furnish to, the Canadian securities regulatory authorities and the U.S. Securities and Exchange Commission.

Our company has provided a business outlook for the purpose of presenting information about current expectations for full-year 2022 and 2023. This information may not be appropriate for other purposes. You are cautioned not to place undue reliance on forward-looking statements which reflect expectations only as of the date of this presentation. Except as may be required by applicable law, Thomson Reuters disclaims any obligation to update or revise any forward-looking statements.

The company's business outlook is based on information currently available to the company and is based on various external and internal assumptions made by the company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the company believes are appropriate under the circumstances. Please refer to the management's discussion and analysis (MD&A) section of our 2021 annual report and our earnings release dated August 4, 2022, each of which is available on [www.tr.com](http://www.tr.com), for a discussion of material assumptions and material risks related to our business outlook. Material assumptions and material risks related to our business outlook will also be reflected in our second-quarter MD&A, which is expected to be filed shortly.

## Non-IFRS Financial Measures

This presentation contains disclosures of certain non-IFRS financial measures. These measures include adjusted EBITDA and the related margin (other than at the customer segment level), free cash flow, adjusted earnings, adjusted EPS, effective tax rate on adjusted earnings, accrued capital expenditures expressed as a percentage of revenues, selected measures excluding the impact of foreign currency, changes in revenues computed on an organic basis as well as all financial measures for the "Big 3".

Please see our earnings release dated August 4, 2022, which is available on [www.tr.com](http://www.tr.com), for a reconciliation of each of Thomson Reuters' measures to the most directly comparable IFRS financial measure. You can also find IFRS reconciliations in the "Investor Relations" section of our website.

# THOMSON REUTERS

## Second-Quarter 2022 Highlights

**Steve Hasker**  
**President & CEO**

# Second-Quarter 2022 & Six-Months 2022 Highlights

## 1. Strong organic revenue & sales growth continued in Q2 2022

- **Four of five** Business Segments grew 6%+ organically
- “Big 3” Business Segments (Legal, Corporates and Tax & Accounting) revenues grew 7% organically
- Rising complexity of regulation/compliance in our Legal, Tax and risk-related markets remains a driver

## 2. Based on H1 revenue & underlying Book of Business (ACV), raised FY 2022 revenue guidance

- Total TR revenue outlook increased to ~ **6.0%** (from ~ 5.5%); “Big 3” outlook increased to ~ **7.0%** (from ~ 6.5%)
- No other changes to FY 2022 Outlook, reaffirming FY 2023 Outlook

## 3. Maintaining leadership Positions in Historically Stable & Attractive Markets

- Resilient business with ~80% Recurring Revenue; Change Program benefits bolstering financial results

## 4. Robust liquidity and capital capacity provides continued optionality

- \$2B share repurchase program announced on June 8<sup>th</sup> – \$394M repurchased as of July 31
- We continue to assess inorganic opportunities, and have capacity and willingness for both buybacks and strategic M&A

## 5. Change Program on track – annualized operating expense run-rate savings of \$369 million (as of June 30, 2022). Forecasting \$500M by December 2022

# Second-Quarter 2022 Consolidated Results

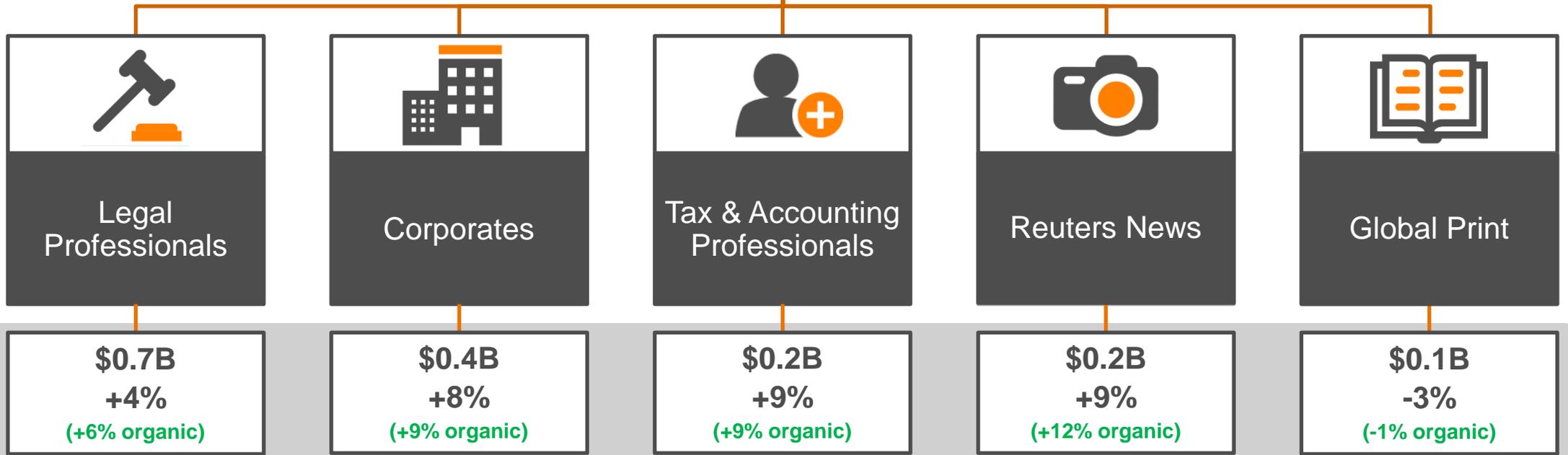
<b>IFRS Financial Measures</b> (\$ millions)	<b>2022</b>	<b>2021</b>	<b>Change</b>
Revenues	\$1,614	\$1,532	Up 5%
Operating profit	\$391	\$316	Up 24%
Diluted (loss) earnings per share (EPS)	\$(0.24)	\$2.15	n/m
Net cash provided by operating activities	\$433	\$462	Down 6%

<b>Non-IFRS Financial Measures</b> (\$ millions)	<b>2022</b>	<b>2021</b>	<b>Change</b>	<b>Change at Constant Currency</b>	<b>Organic Growth</b>
Revenues	\$1,614	\$1,532	Up 5%	Up 7%	Up 7%
Adjusted EBITDA	\$561	\$502	Up 12%	Up 11%	
<i>Adjusted EBITDA margin</i>	<i>34.7%</i>	<i>32.7%</i>	<i>Up 200 bps</i>	<i>Up 110 bps</i>	
Adjusted EPS	\$0.60	\$0.48	Up 25%	Up 23%	
Free cash flow	\$342	\$379	Down 10%		

# Second-Quarter 2022

## Revenue Growth by Segment

Reported revenues up 5% to \$1.6 billion  
 Organic revenues up 7%  
 Organic recurring revenues up 7%



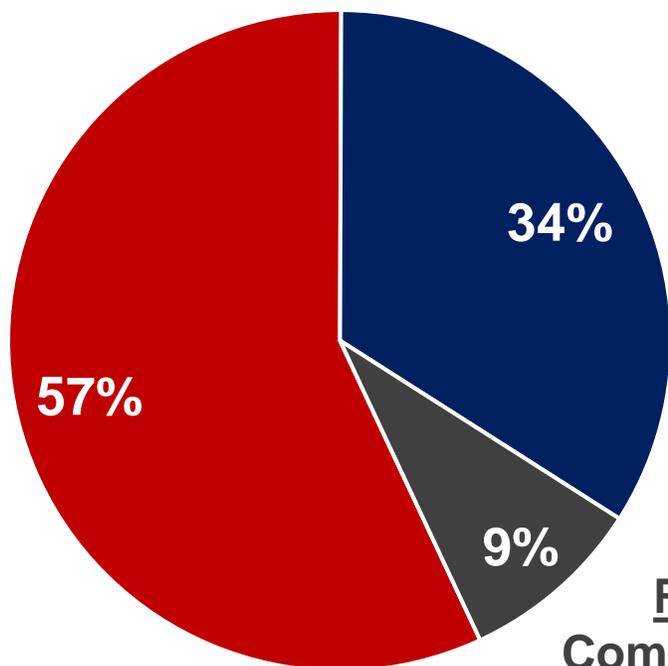
“Big 3” grew 7% organically (80% total revenues)

# Corporates Segment and Risk, Fraud & Compliance Discussion

# FY 2021 Corporates Segment Revenue Mix

Corporates organic revenue growth has accelerated from 4% in H1 2021 to 8% in H1 2022  
 Drivers of acceleration: sales execution, product investments and price realization

## Tax Products



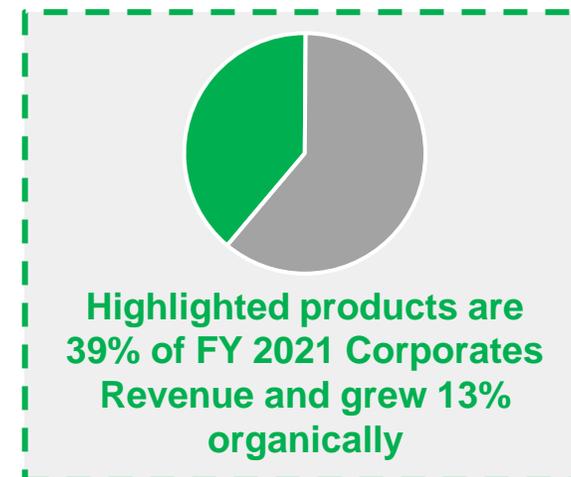
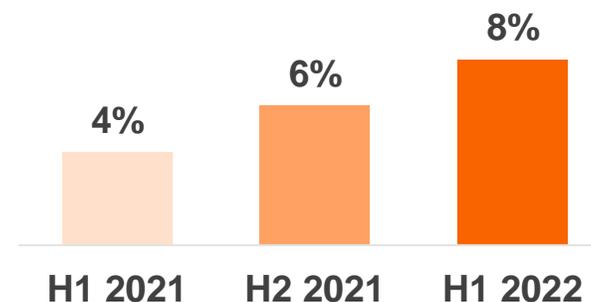
## Legal Products



## Risk, Fraud & Compliance Products



## Corporates Organic Growth



# Risk, Fraud & Compliance Overview

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**CLEAR**



## Investigative and Fraud Prevention

Data analytics solution powered by proprietary technology and a highly unique dataset supports investigations, KYC/AML compliance, and other use cases



## Global Security

Provides information, technology and security cleared analysts to support government customers in mitigating global risk and improving public safety

TRSS

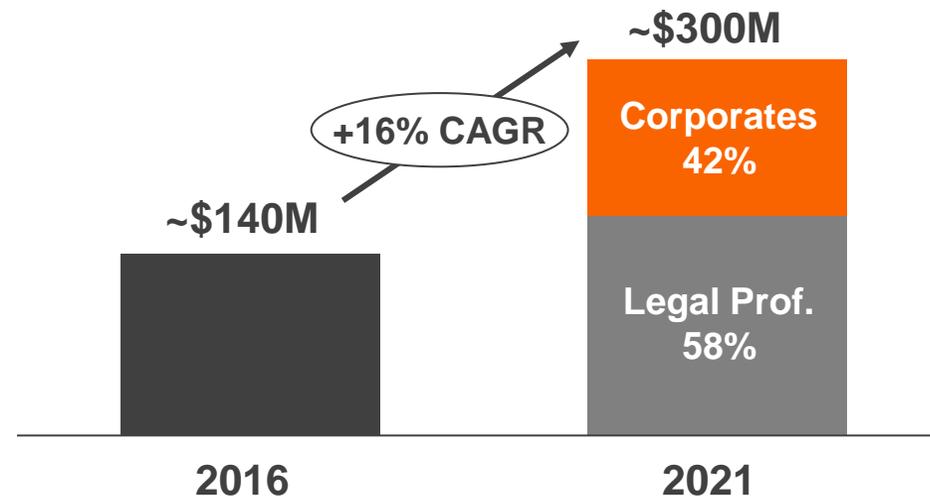


## Fraud Detection Analytics

Secure cloud solution leverages advanced algorithms with customer and public records data to combat fraud, waste and abuse in government entitlement programs

**P O N D E R A**  
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## Revenue Growth 2016 - 2021



## Growth Drivers

- Strong/growing market demand for RFC solutions
- New use cases for Government and Corporates
- New analytics capabilities & decisioning tools
- New content
- API adoption driving usage
- Potential for inorganic investments

# CLEAR Overview

CLEAR delivers a unique value proposition by providing federated search technology bringing proprietary and third-party information together in a single, seamless experience.

Customers use CLEAR every day to help make critical decisions that keep communities, organizations, and people safe and thriving.

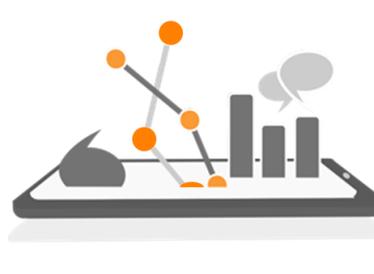
## PROPRIETARY & LICENSED DATA



## COMPREHENSIVE SEARCH



## ANALYTICS & WORKFLOW INTEGRATION



### *Billions of data points*

- Government sourced Public Records
- Publicly available in public domain
- Non public data pursuant to regulations

### *Best in class technology*

- Data fusion
- Entity resolution
- Federated search
- Batch search

### *Integrated analytics*

- Quick analysis flags
- CLEAR Risk Inform
- CLEAR ID Confirm
- Link/network analysis
- Mapping analytics
- API integration to customer systems or partner platforms

Fraud investigations

Criminal investigations

Identifying human trafficking networks

Preventing the spread of infectious disease

Know-your- customer (KYC) onboarding and risk assessment

Anti-money laundering (AML) investigation

Collections/skip-tracing

Uncovering transnational criminal networks

# CLEAR Customer Workflow



**ARE THEY**  
*who they say they are?*



Confirm identity of person/  
entity presenting it

**CAN WE**  
*do business with them?*



Screen for global  
sanctions



**SHOULD WE**  
*enter into a business relationship with them?*

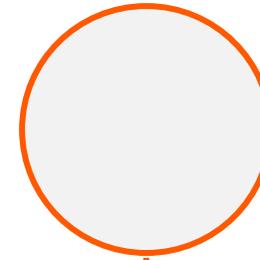


Verify if within your risk  
tolerance levels

Onboard Client



**SHOULD WE CONTINUE**  
*doing business with them?*



Evaluate on-going  
activity



Investigate suspect  
hits and alerts

CLEAR  
Solutions

CLEAR ID Confirm

Adverse Media  
with Sanctions

CLEAR Risk Inform  
Adverse Media with Sanctions  
Global Beneficial Ownership

CLEAR Alerts, CLEAR Enhanced Due Diligence  
Adverse Media with Sanctions, Global Beneficial Ownership  
Regulatory Intelligence

# **Financial Review**

## **Second-Quarter 2022 Results**

### **Updated 2022 Outlook**

**Mike Eastwood**  
**Chief Financial Officer**

# Second-Quarter 2022 & Six-Months 2022

## Legal Professionals, Corporates, Tax & Accounting Professionals Revenues

(\$ millions)

Second Quarter

Six Months

Revenues	Second Quarter					Six Months				
	2022	2021	Total	Constant Currency	Organic	2022	2021	Total	Constant Currency	Organic
Legal Professionals	700	673	+4%	+6%	+6%	1,398	1,341	+4%	+5%	+6%
Corporates	373	346	+8%	+9%	+9%	784	728	+8%	+9%	+8%
Tax & Accounting Professionals	217	199	+9%	+10%	+9%	470	426	+10%	+10%	+10%
<b>Big 3 Revenues</b>	<b>1,290</b>	<b>1,218</b>	<b>+6%</b>	<b>+7%</b>	<b>+7%</b>	<b>2,652</b>	<b>2,495</b>	<b>+6%</b>	<b>+7%</b>	<b>+7%</b>

# Second-Quarter 2022 & Six-Months 2022 Consolidated Revenues

(\$ millions)

Second Quarter

Six Months

Revenues	Second Quarter					Six Months				
	2022	2021	Total	Constant Currency	Organic	2022	2021	Total	Constant Currency	Organic
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Reuters News	188	173	+9%	+12%	+12%	364	338	+8%	+11%	+11%
Global Print	142	147	-3%	-1%	-1%	284	290	-2%	-1%	-1%
Eliminations / Rounding	(6)	(6)				(12)	(11)			
<b>Total Revenues</b>	<b>1,614</b>	<b>1,532</b>	<b>+5%</b>	<b>+7%</b>	<b>+7%</b>	<b>3,288</b>	<b>3,112</b>	<b>+6%</b>	<b>+7%</b>	<b>+7%</b>

# Second-Quarter 2022 & Six-Months 2022 Consolidated Adjusted EBITDA

(\$ millions)

Second Quarter

Six Months

Adjusted EBITDA	2022	2021	Total	Constant Currency	2022	2021	Total	Constant Currency
<b>Legal Professionals</b> <i>Margin</i>	304 43.4%	285 42.3%	+7%	+8%	609 43.6%	564 42.1%	+8%	+9%
<b>Corporates</b> <i>Margin</i>	139 37.4%	128 37.0%	+9%	+8%	296 37.8%	273 37.5%	+8%	+8%
<b>Tax &amp; Accounting Professionals</b> <i>Margin</i>	81 37.4%	74 36.5%	+12%	+11%	203 43.2%	173 40.4%	+18%	+17%
<b>Big 3 Adjusted EBITDA</b> <i>Margin</i>	524 40.7%	487 39.9%	+8%	+8%	1,108 41.8%	1,010 40.5%	+10%	+10%
<b>Reuters News</b> <i>Margin</i>	44 23.3%	35 20.2%	+26%	+19%	81 22.2%	63 18.7%	+28%	+21%
<b>Global Print</b> <i>Margin</i>	50 35.4%	56 37.9%	-9%	-8%	103 36.2%	113 38.9%	-9%	-8%
<b>Corporate Costs (including Change Program)</b>	(57)	(76)			(131)	(126)		
<b>Total Adjusted EBITDA</b> <i>Margin</i>	561 34.7%	502 32.7%	+12%	+11%	1,161 35.3%	1,060 34.1%	+10%	+9%

# Adjusted Earnings Per Share (EPS)

(\$ millions except per share amounts & share count)	Second Quarter			Six Months		
	<u>2022</u>	<u>Change</u>	<u>% Change</u>	<u>2022</u>	<u>Change</u>	<u>% Change</u>
<b>Adjusted EBITDA</b>	<b>\$561</b>	<b>\$59</b>		<b>\$1,161</b>	<b>\$101</b>	
Depreciation & Amortization	(\$159)	\$5		(\$311)	\$14	
Interest Expense	(\$49)	-		(\$97)	\$3	
Income Tax	(\$62)	(\$13)		(\$139)	(\$33)	
Dividend declared on preference shares	-	-		(\$1)	-	
<b>Adjusted Earnings</b>	<b>\$291</b>	<b>\$51</b>		<b>\$613</b>	<b>\$85</b>	
<b>Adjusted EPS</b>	<b>\$0.60</b>	<b>\$0.12</b>	<b>+25%</b>	<b>\$1.26</b>	<b>\$0.20</b>	<b>+19%</b>
<i>Foreign Currency Impact</i>	<i>\$0.01</i>			<i>\$0.02</i>		
<i>Diluted Weighted Average Common Shares</i>	<i>487.9M</i>			<i>487.7M</i>		

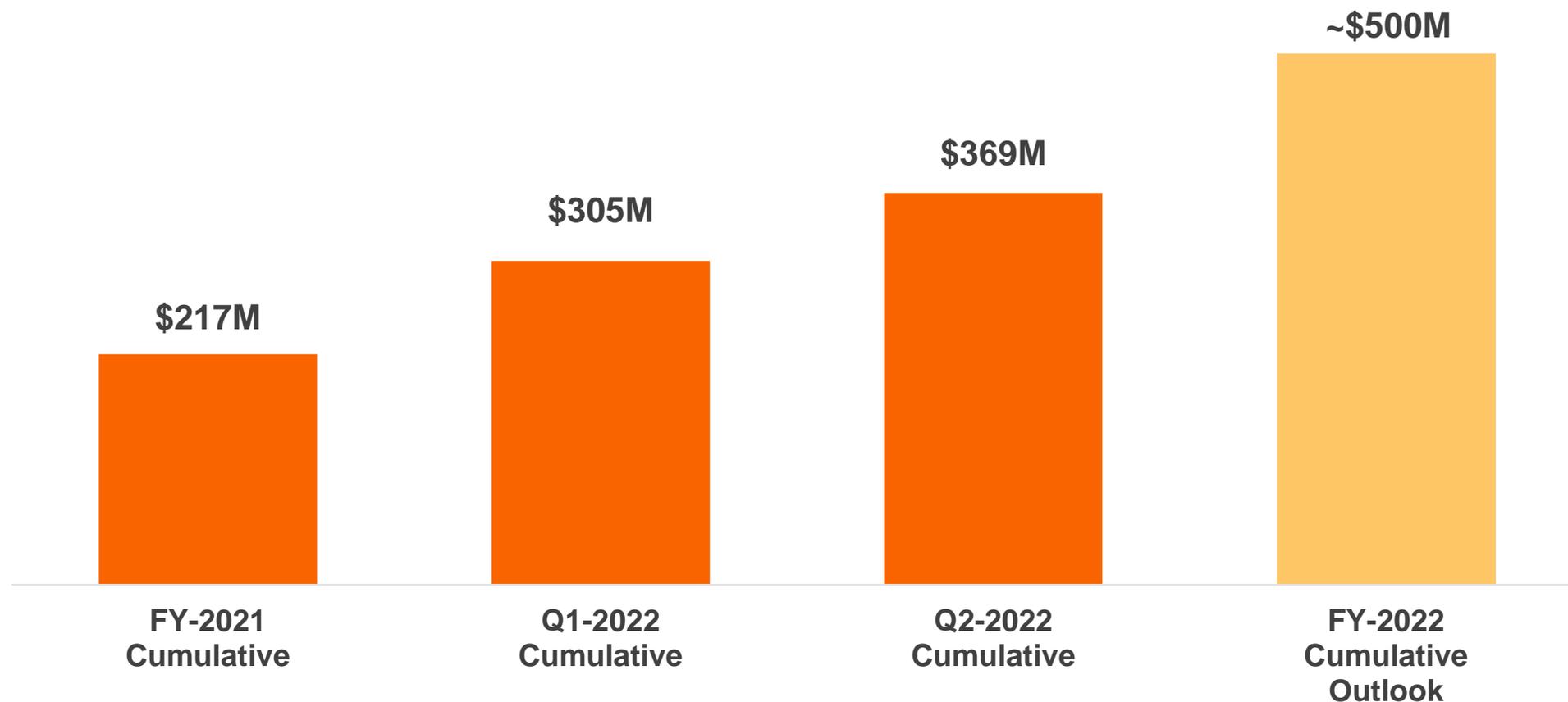
# Consolidated Free Cash Flow

(\$ millions)	Second Quarter			Six Months		
	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>
<b>Comparable Free Cash Flow (Continuing Operations)</b>	<b>\$426</b>	<b>\$404</b>	<b>\$22</b>	<b>\$685</b>	<b>\$692</b>	<b>(\$7)</b>
Other Items (Change Program Costs)	(\$72)	(\$16)	(\$56)	(\$186)	(\$28)	(\$158)
<b>Free Cash Flow (Continuing Operations)</b>	<b>\$354</b>	<b>\$388</b>	<b>(\$34)</b>	<b>\$499</b>	<b>\$664</b>	<b>(\$165)</b>
Free Cash Flow – Discontinued Operations	(\$12)	(\$9)	(\$3)	(\$71)	(\$46)	(\$25)
<b>Free Cash Flow</b>	<b>\$342</b>	<b>\$379</b>	<b>(\$37)</b>	<b>\$428</b>	<b>\$618</b>	<b>(\$190)</b>

# Change Program Investments & Savings

# Change Program FY 2022 Forecast & Cumulative Run-Rate Savings

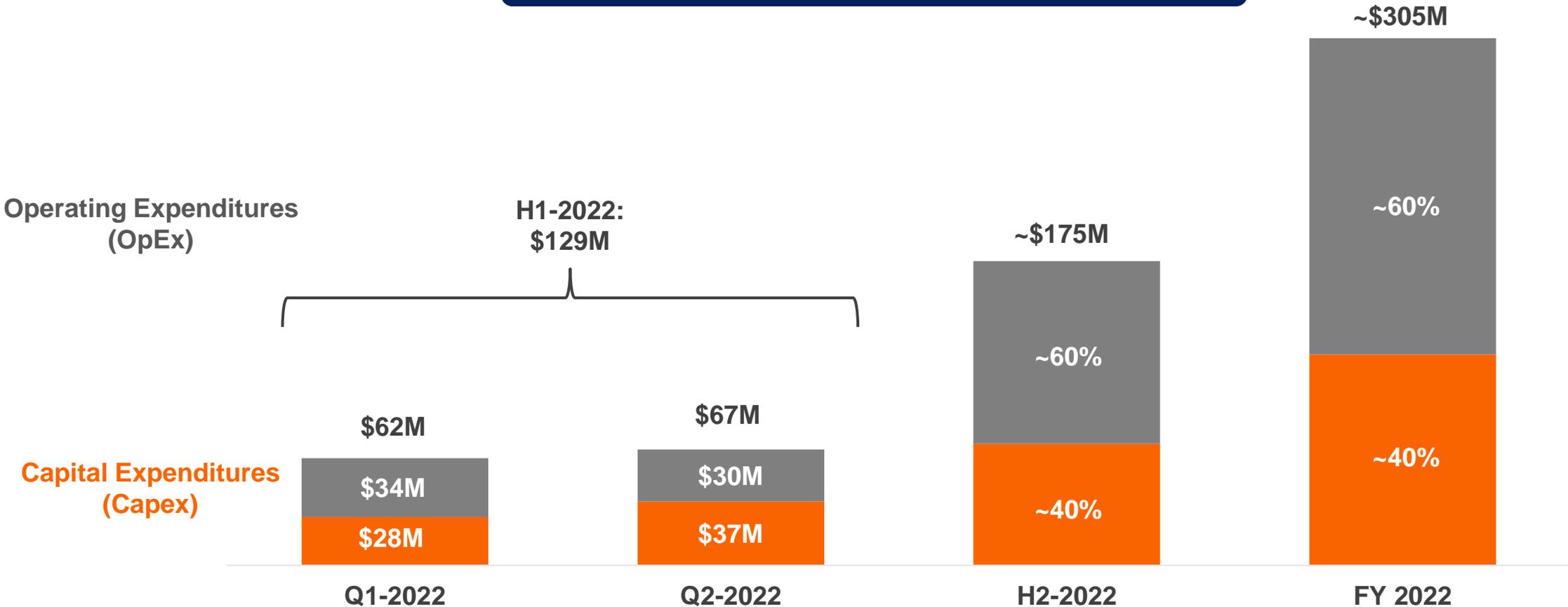
Achieved Annualized Run-Rate Operating Expense Savings of \$369M as of June 30, 2022  
FY 2022 Annualized Run-Rate Savings Forecast of ~\$500M



# Change Program Investments

Forecast ~\$305M of Change Program Investments in 2022;  
~\$600M of cumulative Change Program investments over 2021 - 2022

## 2022 Phasing



# 2022 Outlook Update

# 2022 Updated Outlook

<b>Total Thomson Reuters</b>	<b>FY 2021 Reported</b>	<b>FY 2022 Outlook<sup>(2)</sup> 2/23/21</b>	<b>FY 2022 Outlook<sup>(2)</sup> 2/8/22</b>	<b>FY 2022 Outlook<sup>(2)</sup> 5/3/22</b>	<b>FY 2022 Outlook<sup>(2)</sup> 8/4/22</b>
Total Revenue Growth	6.1%	4.0% - 5.0%	~ 5%	~5.5%	~6.0%
Organic Revenue Growth <sup>(1)</sup>	5.2%	4.0% - 5.0%	~ 5%	~5.5%	~6.0%
Adjusted EBITDA Margin <sup>(1)</sup>	31.0%	34% - 35%	~ 35%	Unchanged	Unchanged
Corporate Costs	\$325 million	\$245 - \$280 million	\$280 - \$330 million	Unchanged	Unchanged
Core Corporate Costs	\$142 million	\$120 - \$130 million	Unchanged	Unchanged	Unchanged
Change Program OpEx	\$183 million	\$125 - \$150 million	\$160 - \$200 million	Unchanged	Unchanged
Free Cash Flow <sup>(1)</sup>	\$1.3 billion	\$1.2 - \$1.3 billion	~ \$1.3 billion	Unchanged	Unchanged
Accrued Capex as % of Revenue <sup>(1)</sup>	8.5%	7.5% - 8.0%	Unchanged	Unchanged	Unchanged
Change Program Accrued Capex	\$112 million	\$75 - \$100 million	\$100 - \$140 million	Unchanged	Unchanged
Depreciation & Amortization of computer software	\$651 million	\$620 - \$645 million	Unchanged	Unchanged	Unchanged
Interest Expense (P&L)	\$196 million	\$190 - \$210 million	Unchanged	Unchanged	Unchanged
Effective Tax Rate on Adjusted Earnings <sup>(1)</sup>	13.9%	n/a	19% - 21%	Unchanged	Unchanged
<b>Big 3 <sup>(1)</sup></b>	<b>FY 2021 Reported</b>	<b>FY 2022 Outlook<sup>(2)</sup> 2/23/21</b>	<b>FY 2022 Outlook<sup>(2)</sup> 2/8/22</b>	<b>FY 2022 Outlook<sup>(2)</sup> 5/3/22</b>	<b>FY 2022 Outlook<sup>(2)</sup> 8/4/22</b>
Total Revenue Growth	6.9%	5.5% - 6.5%	6.0% - 6.5%	~6.5%	~7.0%
Organic Revenue Growth	6.2%	5.5% - 6.5%	6.0% - 6.5%	~6.5%	~7.0%
Adjusted EBITDA Margin	38.8%	41% - 42%	~ 42%	Unchanged	Unchanged

(1) Non-IFRS financial measures. All measures reported for the "Big 3" segments are non-IFRS

(2) Before currency, includes Change Program impact and excludes the impact of future acquisitions / dispositions

# Q&A